Distr.
GENERAL

IDB.29/15
7 September 2004

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Twenty-ninth session
Vienna, 9-11 November 2004
Item 6 of the provisional agenda

PERSONNEL MATTERS

Report by the Director-General

Provides information on the composition of staff, developments in the common system and amendments to the staff rules. Invites the Board to elect one member representing the UNIDO governing body on the Staff Pension Committee for the remainder of the biennium 2004-2005.

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V.04-57342 (E)

Distr.: 24 September 2004

I. COMPOSITION OF STAFF IN THE PROFESSIONAL AND HIGHER CATEGORIES

1. With the promulgation of the Human Resources Management Framework in June 2001, considerable accomplishments have been achieved with regard to gender balance and equitable geographical distribution. Moreover, the External Auditor in his report covering the period 2002-2003 referred to the implementation of the Framework, in particular the implementation of improved competitive selection procedures (IDB.29/3, chap. VII). Figures 1 to 6B in the present document provide information on staff in the Professional and higher categories, including internationally recruited project personnel as of May 2001, prior to the promulgation of the Framework in June 2001, and on 31 July 2004.

2. The percentage of staff from Africa as well as Asia and the Pacific increased during the period 2001 to 2004 by three percentage points respectively, as shown in figures 1, 2A and 2B. Slight decreases of one percentage point each are observed for staff from Eastern Europe and NIS States and Western Europe and Others, while the percentage of staff from Latin America and the Caribbean States and non-Member States decreased by two percentage points.

3. As shown in figure 3, the representation in senior positions (P-5 and above) has increased for Africa and Asia and the Pacific by five percentage points each. Decreases can be observed from Eastern Europe and NIS, non-Member States by two percentage points each, Latin America and the Caribbean, by 1 per cent while a decrease of four percentage points can be observed for Western Europe and Others. This decrease can be attributed to staff separations mainly through natural attrition.

4. Figure 4 shows a considerable increase in female Professional staff from Africa and Asia and the Pacific by nine percentage points each. Female Professional staff from Eastern Europe and NIS have increased by 5 per cent. The representation from other regions has decreased, by 4 per cent from Latin America and the Caribbean, 16 per cent from Western Europe and Others, and by 2 per cent from non-Member States.

5. Figure 5 shows the gender and regional distribution of regular Professional appointments from May 2001 to July 2004. Of the total appointments, 42 per cent were female and 58 per cent were male; 13 per cent of female Professionals appointed were from Asia and the Pacific and 31 per cent of male Professionals were from Western Europe and Others.

6. Figures 6A and 6B provide a regional comparison of internationally recruited consultants as at 31 May 2001 and 31 July 2004. As will be noted, on 31 July 2004 the share of Western Europe and Others was the highest (62 per cent). Increases can be observed in relation to Asia and the Pacific and non-Member States and decreases in the shares of other regions.

II. COMMON SYSTEM DEVELOPMENTS

7. As reported in document IDB.27/16, the International Civil Service Commission (ICSC), mandated by the General Assembly, is currently undertaking a review of the pay and benefits system of the United Nations common system organizations. In this context ICSC has developed a new and simplified job evaluation system for the organizations of the common system which was promulgated effective 1 January 2004. The new system retained the capacity to evaluate jobs across occupations and organizations while capturing the nature of the new work environments, for example more emphasis on innovation and partnership-building and less emphasis on hierarchy. The new job evaluation system does not aim at changing the grading structures; hence it was preceded by a validation process. Rather it aims at evaluating jobs using more up-to-date criteria. The emerging trend for job design in the common system is more focus on the output and impact of jobs, client orientation, contribution in a team context and the role of leadership. More importantly, the new approach provides linkages to competency development and performance management. Having participated last year in the validation of the system, UNIDO has begun to adopt this more effective system of job evaluation.

III. MATTERS RELATED TO THE STAFF RULES

Professional scales

8. **Appendix C to the staff rules.** In accordance with article 54 (b) of the regulations of the United Nations Joint Staff Pension Fund, the scale of pensionable remuneration for the Professional and higher categories must be adjusted on the same date and by the same percentage as the net remuneration of officials serving in New York. In accordance with this provision, ICSC promulgated a revised scale of pensionable remuneration effective 1 September 2003. The revised scale was promulgated in appendix C to the UNIDO staff rules and is contained in annex I to the present document.

Local scales

9. **Appendix A to the staff rules.** In accordance with the Flemming principle, General Service staff shall have pay and other conditions of employment that are among the best on offer at the duty station. The principle was first stated in 1949 by a body of experts on pay established by the United Nations General

Assembly and is the cornerstone of the methodology followed by ICSC for the conduct of local salary surveys. Based upon the Flemming principle, staff regulation 6.5(a) provides that "The Director-General shall fix the salary scales for staff in the General Service and related categories, normally on the basis of the best prevailing conditions of employment in the locality, taking into account the recommendations of the International Civil Service Commission." According to the approved ICSC methodology, which takes account of changes in the consumer price and wages indices over a period of 12 months, and in consultation with the other Vienna-based organizations, the Director-General implemented effective 1 April 2004 an interim adjustment of the salary scales for General Service staff of 1.66 per cent. The revised scale is contained in annex II to the present document.

Financial implications

10. The financial implications of the revised pensionable remuneration scale (Professional and higher categories) reported above amount to €452,200 for the biennium 2004-2005 and €74,900 for four months in 2003. The impact of the interim adjustment of General Service salaries amounts to €394,200 for the current biennium. The additional costs have been foreseen in the respective budgets and hence are being absorbed within the budgetary levels approved by Member States.

Other staff rules

11. **Appendix G to the staff rules.** In order to streamline procedures and staff time in processing travel advances, staff members authorized to travel are granted 100 per cent travel advances. The previous policy to provide 80 per cent travel advances has been revised to 100 per cent to reduce administrative costs of processing the various travel-related transactions. The relevant amendment is shown in annex III to the present document. Deletions are contained in square brackets and amendments are underlined.

IV. REPRESENTATION OF THE UNIDO GOVERNING BODY ON THE UNIDO STAFF PENSION COMMITTEE

12. The UNIDO Staff Pension Committee established by the General Conference (GC.1/Dec.37) held six meetings in 2003 and two meetings during the period January-August 2004.

13. The General Conference at its tenth session elected the following two members and two alternate members of the Staff Pension Committee for the biennium 2004-2005 (GC.10/Dec.20):

Members: Mr. Cédric Janssens de Bisthoven (Belgium)
Mr. Mlulami M.L. Singaphi (South Africa)

Alternate members: Mrs. Vesna Vukovič (Croatia)
Mr. Tanmaya Lal (India)

14. In the same decision the Conference authorized the Board to proceed with the election for any of the above-mentioned posts that might become vacant before the General Conference holds its eleventh session. One of the member posts has become vacant as the assignment of Mr. Cédric Janssens de Bisthoven (Belgium) to the Permanent Mission of Belgium to UNIDO ended on 31 August 2004. Thus, the Board may wish to proceed with the election for that post for the remainder of the term in accordance with the General Conference decision.

V. ACTION REQUIRED BY THE BOARD

15. The Board may wish to consider the adoption of the following draft decision:

"The Industrial Development Board:

"(a) Takes note of the information contained in document IDB.29/15;

"(b) Notes the amendments to appendices A, C and G to the staff rules;

"(c) In accordance with General Conference decision GC.10/Dec.20, paragraph (c), elects the following member of the UNIDO Staff Pension Committee for the remainder of the biennium 2004-2005:

"Member: _____(country)."

Figure 1. Professional-level staff at Headquarters and field offices by region, 2001 to 2004 (Percentage)

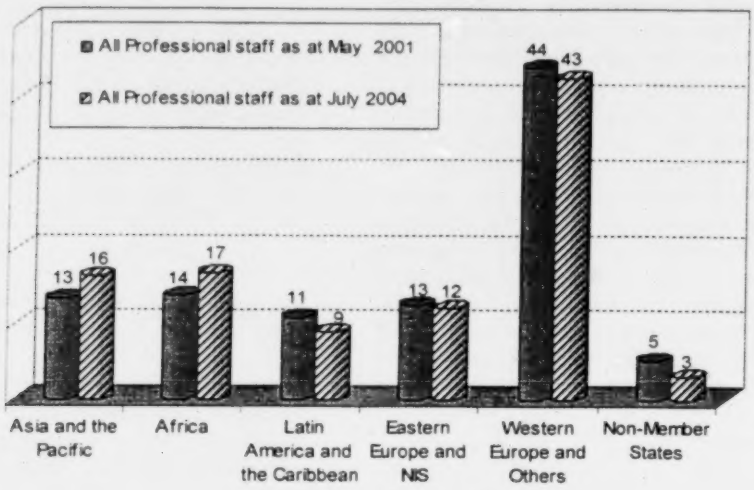


Figure 2A. Professional-level staff at Headquarters and field offices by region as at 1 May 2001

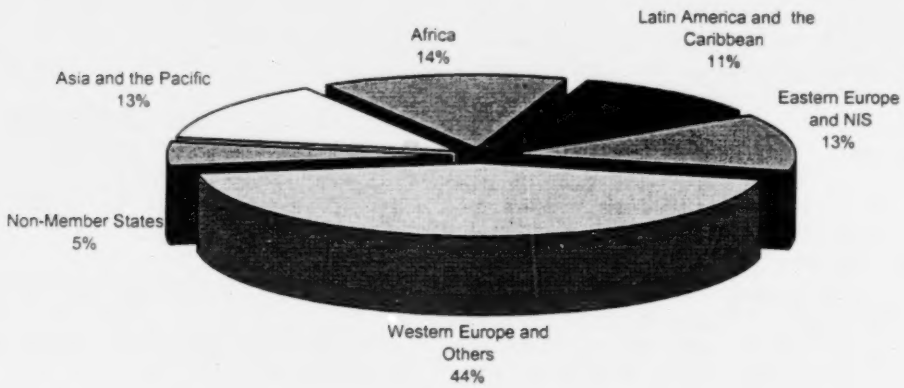


Figure 2B. Professional-level staff at Headquarters and field offices by region as at 31 July 2004

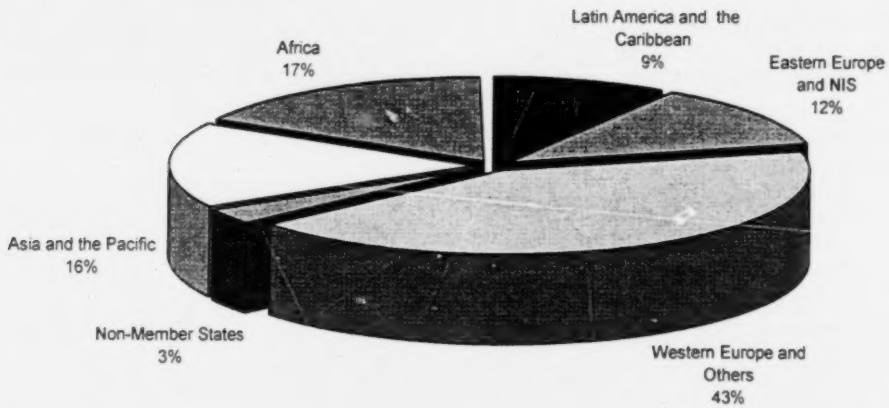


Figure 3. Comparison of senior Professional-level staff at Headquarters and field offices by region, 2001 to 2004 (Percentage)

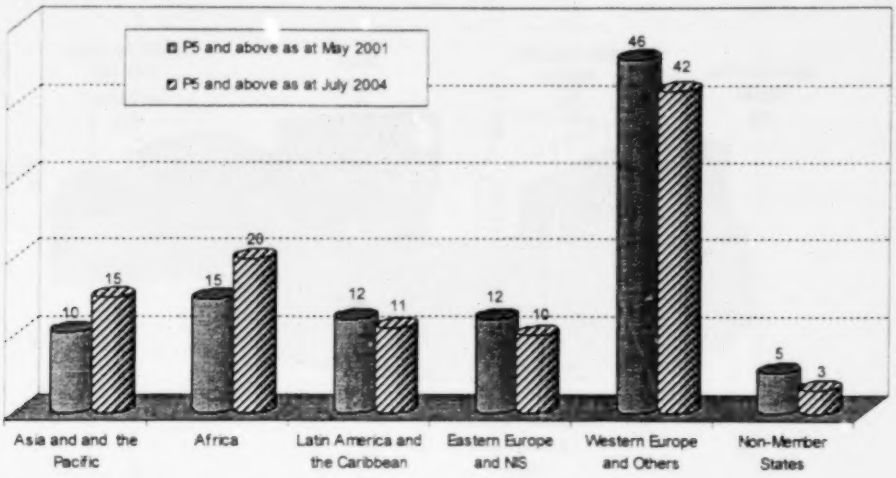


Figure 4. Female Professional-level staff at Headquarters and field offices by region, 2001 to 2004 (Percentage)

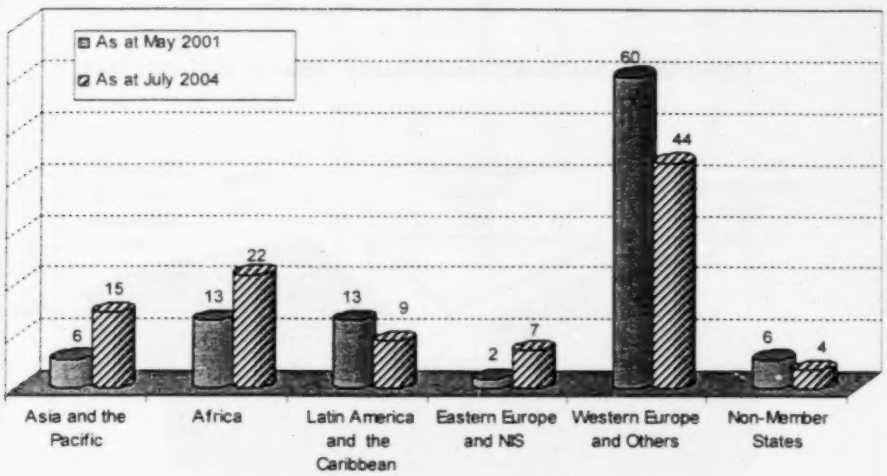


Figure 5. Professional-level regular appointments by gender, 2001 to 2004 (Percentage)

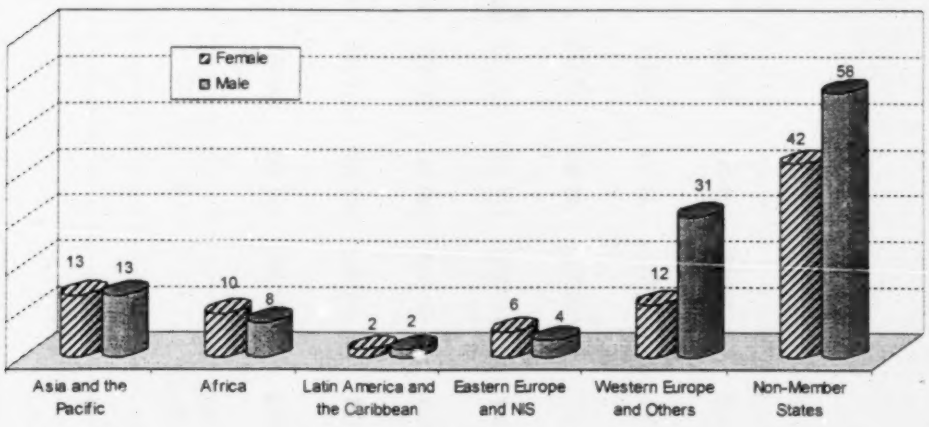


Figure 6A. International consultants by region as at 31 May 2001

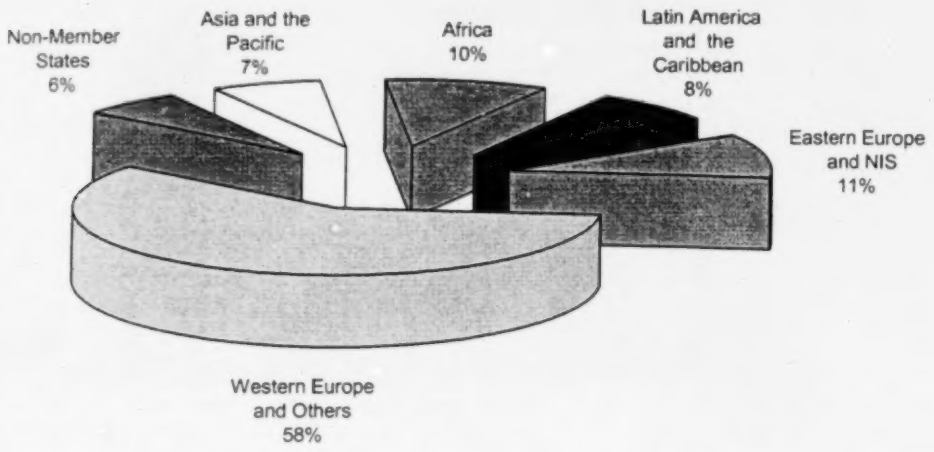
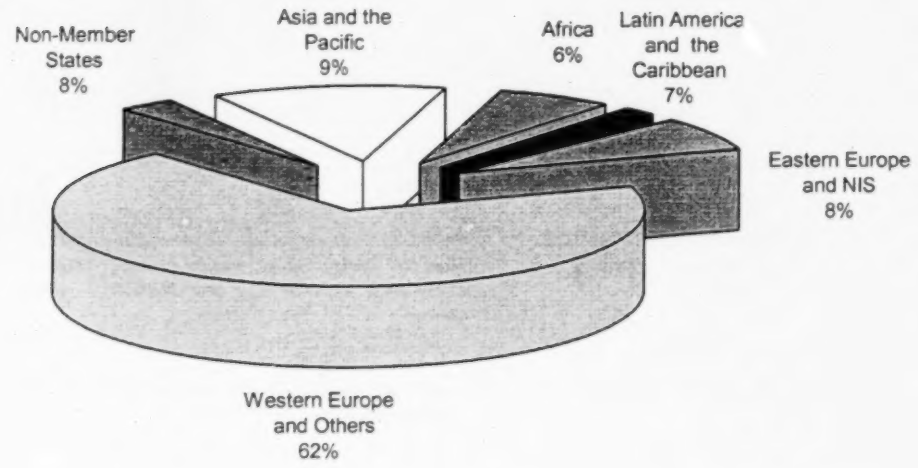

Non-Member States 6%
Asia and the Pacific 7%
Africa 10%
Latin America and the Caribbean 8%
Eastern Europe and NIS 11%
Western Europe and Others 58%

Figure 6B. International consultants by region as at 31 July 2004


Non-Member States 8%
Asia and the Pacific 9%
Africa 6%
Latin America and the Caribbean 7%
Eastern Europe and NIS 8%
Western Europe and Others 62%

Annex I

Appendix C

SCALE OF PENSIONABLE REMUNERATION FOR THE PROFESSIONAL AND HIGHER CATEGORIES
(For purposes of pension benefits and pension contribution)
(In United States dollars)
Effective 1 September 2003

	STEPS														
LEVEL	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	XIII	XIV	XV
D-2	181 760	185 892	190 022	194 149	198 279	202 408									
D-1	165 207	168 596	171 982	175 364	178 752	182 308	185 938	189 568	193 192						
P-5	137 472	140 353	143 233	146 117	148 998	151 877	154 758	157 643	160 521	163 402	166 285	169 172	172 261		
P-4	112 214	114 992	117 763	120 535	123 314	126 085	128 859	131 636	134 408	137 180	139 952	142 735	145 505	148 279	151 056
P-3	92 227	94 583	96 937	99 287	101 644	103 997	106 350	108 708	111 172	113 747	116 319	118 892	121 466	124 038	126 614
P-2	75 663	77 773	79 875	81 981	84 086	86 192	88 297	90 399	92 508	94 613	96 717	98 824			
P-1	58 918	60 947	62 968	64 990	67 015	69 036	71 063	73 084	75 107	77 131					

Annex II

Appendix A

SALARY SCALES FOR GENERAL SERVICE AND RELATED CATEGORIES SHOWING ANNUAL GROSS, GROSS PENSIONABLE AND NET SALARY AFTER APPLICATION OF STAFF ASSESSMENT (in Euros)

Effective 1 April 2004

		STEPS											
		I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII*
G-1	Gross	24 303	25 112	25 921	26 730	27 539	28 348	29 157	29 966	30 775	31 584	32 394	33 203
	Gross pens.	24 088	24 860	25 630	26 400	27 170	27 941	28 711	29 481	30 251	31 022	31 792	32 562
	Net	19 513	20 136	20 759	21 382	22 005	22 628	23 251	23 874	24 497	25 120	25 743	26 366
G-2	Gross	28 279	29 217	30 155	31 092	32 030	32 968	33 905	34 843	35 781	36 718	37 656	38 594
	Gross pens.	27 870	28 763	29 653	30 545	31 437	32 328	33 219	34 147	35 086	36 023	36 962	37 899
	Net	22 575	23 297	24 019	24 741	25 463	26 185	26 907	27 629	28 351	29 073	29 795	30 517
G-3	Gross	32 881	33 968	35 055	36 142	37 229	38 316	39 403	40 509	41 641	42 772	43 903	45 034
	Gross pens.	32 246	33 277	34 356	35 442	36 526	37 613	38 699	39 785	40 870	41 956	43 042	44 128
	Net	26 118	26 955	27 792	28 629	29 466	30 303	31 140	31 977	32 814	33 651	34 488	35 325
G-4	Gross	38 208	39 465	40 751	42 059	43 368	44 676	45 984	47 292	48 600	49 908	51 216	52 524
	Gross pens.	37 511	38 767	40 025	41 280	42 537	43 793	45 050	46 306	47 562	48 819	50 075	51 331
	Net	30 220	31 188	32 156	33 124	34 092	35 060	36 028	36 996	37 964	38 932	39 900	40 868
G-5	Gross	44 546	46 058	47 570	49 082	50 595	52 107	53 619	55 131	56 643	58 155	59 668	61 265
	Gross pens.	43 672	45 125	46 577	48 029	49 482	50 935	52 387	53 840	55 293	56 746	58 198	59 651
	Net	34 964	36 083	37 202	38 321	39 440	40 559	41 678	42 797	43 916	45 035	46 154	47 273
G-6	Gross	51 965	53 714	55 462	57 211	58 959	60 759	62 635	64 510	66 386	68 261	70 136	72 012
	Gross pens.	50 801	52 482	54 163	55 844	57 525	59 207	60 886	62 568	64 249	65 930	67 643	69 392
	Net	40 454	41 748	43 042	44 336	45 630	46 924	48 218	49 512	50 806	52 100	53 394	54 688
G-7	Gross	60 587	62 759	64 932	67 104	69 277	71 449	73 622	75 794	77 967	80 139	82 312	84 484
	Gross pens.	59 050	60 996	62 942	64 888	66 833	68 857	70 881	72 906	74 932	76 956	78 981	81 006
	Net	46 805	48 304	49 803	51 302	52 801	54 300	55 799	57 298	58 797	60 296	61 795	63 294

*Long-service step

Annex III

Appendix G

OFFICIAL TRAVEL

Expenses while in transit

(jj) No change.

(kk) No change.

Miscellaneous travel expenses

(ll) No change.

Travel advances

(mm) Staff members authorized to travel shall provide themselves with sufficient funds for all current expenses by securing an advance of funds if necessary. [A reasonable advance of funds against the estimated reimbursable travel expenses may be made to a staff member or his or her family members for expenses authorized under these provisions. An advance of funds shall be considered reasonable if it is not less than US$ 200 nor more than 80 per cent of the estimated reimbursable expenditures. If, in the course of official travel, the staff member has earned in subsistence allowance an amount equal to the amount advanced, the staff member may be advanced the balance of the estimated reimbursable expenditures.] An advance of 100 per cent of the estimated daily subsistence allowance and other expenses authorized under these provisions may be made to a staff member authorized to undertake official travel.

Incidental expenses related to illness or accident during travel

(nn) No change.